

EXHIBIT T

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 IN AND FOR THE COUNTY OF SAN MATEO

3 ---oOo---

4 Coordination Proceeding Special) JCCP NO. 4648,
Title (Rule 3.550)) Tort Actions
5) CASE NO. 499864

6 PG&E "SAN BRUNO FIRE" CASES)

7 SUSAN BULLIS, individually;)
8 SUSAN BULLIS, as heir of GREGORY)
BULLIS and WILLIAM BULLIS,)
9 deceased; and SUSAN BULLIS, as)
representative of the Estates of)
GREGORY BULLIS and WILLIAM)
BULLIS,)

10)
11 Plaintiffs,)

12 V.)

13 PACIFIC GAS & ELECTRIC COMPANY,)
a corporation; PG&E CORPORATION,)
14 a corporation; and DOES 1)
through 50, inclusive,)
15 Defendants)

16 VIDEOTAPED DEPOSITION OF EDWARD ALFONSO SALAS

17 THURSDAY, MAY 17, 2012

18
19 Reported by:

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1 A. Not that I recall.

2 Q. Did you have any -- any responsibilities for
3 assessing the risks to integrity of gas pipelines
4 while you're with Verizon Wireless?

5 A. No.

6 Q. Okay.

7 You joined PG&E, you said, on April of 2007,
8 correct?

9 A. Correct.

10 Q. Prior to that time, would I be correct in
11 understanding that you have never had responsibility
12 for assessing the integrity of a gas transmission
13 pipeline?

14 A. Correct.

15 Q. Or involved in risk management related to the
16 assets of a natural gas operator?

17 A. Correct.

18 Q. Or any energy operator?

19 A. We had entered electric systems in telecom,
20 and I did have responsibility, we had rectifiers,
21 converters and the like, but not on the scale of
22 commercial energy utility.

23 Q. Okay. Thank you.

24 Why did you leave Verizon Wireless to go to
25 PG&E?

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1 A. I was recruited.

2 Q. By whom?

3 A. Bill Morrow.

4 Q. What did you understand Bill Morrow's title or
5 position was at PG&E?

6 A. As I recall, it was something akin to chief
7 operating officer.

8 Q. And what did Mr. Morrow say to you about the
9 position that you would take over at PG&E?

10 A. He felt that there was a need for my skillset
11 and that there were areas that I could bring value.

12 We had been colleagues at AirTouch and in Pacific
13 Telephone in the past so he was familiar with me.

14 Q. Did he describe for you the skillset that he
15 believed would be of value to PG&E?

16 A. Yeah.

17 Q. What did he say?

18 A. I don't recall specifically what he said, but
19 the essence of it, that I do recall, was they -- he
20 wanted more operational discipline, he wanted
21 somebody to better manage accountability. They were
22 attempting to shift culture, and they had culture
23 objectives. His sense was, they had many layers of
24 subject matter experts as it related to the technical
25 disciplines, but were trying to transition in terms

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1 of, again, process -- process management and metrics
2 and accountability and the like.

3 Q. You used a term "operational discipline," what
4 did you understand that to mean as used by
5 Mr. Morrow?

6 A. Rigor, in terms of results reporting, setting
7 clear standards for performance and then taking
8 action when there are levels of performance that
9 deviate from -- from that, and building an integrity
10 from top to bottom of the organization, to be
11 sensitive to performance and -- and doing the job.

12 Q. Did he describe for you the problems he
13 perceived existed at PG&E as part of these recruiting
14 discussions?

15 A. Not in any real substance or depth, just that
16 he was not satisfied with the incumbents and wanted
17 to make a change.

18 Q. When you say not satisfied by the incumbents,
19 who did you understand that to refer to?

20 A. Quite frankly, I don't remember their names,
21 one was Jeff Butler and I don't recall the other
22 gentleman.

23 Q. What did you understand Mr. Butler's position
24 was at PG&E at the time?

25 A. He was the senior officer, I don't recall what

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1 Q. So describe for me what you meant by seismic.

2 A. Inherent in a -- our operating geography we've
3 got a number of active fault lines, and so there's
4 an under- -- underlying risk associated with
5 operations and safety as it relates to our
6 preparedness and our ability to manage in the event
7 of a significant earthquake. An earthquake beyond --
8 beyond that which we might have recently experienced.

9 Q. Okay.

10 When you use the term "system safety," what do
11 you include within that?

12 A. You'd have to go back to the risk language
13 itself, but it excluded anything having to do with
14 seismic-related events, because seismic had -- was
15 its own risk and it was administered separately. Nor
16 did it include urban wildfire.

17 Q. Okay. Let me mark -- or let me show you as
18 first in order, Exhibit 197.

19 Victor, could you get me Exhibit 197, please.
20 The big binder.

21 Oh, thank you.

22 Sir, I'm going to put in front of you Exhibit
23 197. The document's entitled "Risk Management in ED
24 and E&O," dated May 1, 2007.

25 Have you ever seen this document before?

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1 A. I don't recall, although the notes look like
2 my writing, so I think you can conclude that I had
3 seen it.

4 Q. That's what I wanted to ask you. The
5 handwriting that's on the upper right-hand corner on
6 the first page of this exhibit, that's your
7 handwriting?

8 A. Yes. That's -- it appears to be.

9 Q. Okay.

10 And this appears to be a risk management in ED
11 and E&O, that's energy delivery and engineering and
12 operations for May of 2007, correct?

13 A. Correct.

14 Q. Was -- as part of your, what I want to call,
15 investigation and research into the programs, I take
16 it that you reviewed, in the course of your new job,
17 various materials that dealt with enterprise risk?

18 A. Yes.

19 Q. And this was one of them, correct?

20 A. Correct.

21 Q. And in that regard, can you tell me what you
22 wrote, your handwriting in the upper right-hand
23 corner?

24 A. "Seems unactionable because almost everything
25 is broken, overbroad assessment, need to triage."

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1 Q. What did you mean by that?

2 A. I was referring to the body of risks or the
3 language here, in my mind, did not lend itself to any
4 specific more narrow set of actions to mitigate. It
5 was very, very broad and would result in trying to,
6 in my language, boil the ocean. And I wanted to have
7 more specificity and actionability and -- and clarity
8 about what we're going to pursue.

9 Q. Your reaction to reading this is that it
10 seemed almost everything was broken; is that right?

11 A. That's what it says. I'd have to reread it to
12 understand whether -- also understand that this is 20
13 days after I was hired.

14 Q. All right, I understand. I'm just getting
15 your reactions to what you read.

16 A. Yeah.

17 Q. And if I got it correctly, you wrote, seems
18 inachievable?

19 A. Inactionable, or --

20 Q. Unactionable.

21 A. Unactionable.

22 Q. Unactionable because almost everything was
23 broken, that was what you wrote at the time after you
24 read it, correct?

25 A. Correct.

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1 Q. And then you wrote need to triage, what did
2 you mean by that?

3 A. Prioritize.

4 Q. Because you perceived what was written did not
5 have any appropriate targeted action plan, is that
6 true?

7 A. For my way of thinking, I wanted more
8 delineated clear priority scheme, so that we could
9 pick off the most important elements first and
10 address those.

11 Q. So --

12 A. And the less -- the less important elements
13 later.

14 Q. So prioritization would be one of the
15 things --

16 A. Yes.

17 Q. -- you felt it needed, correct?

18 A. Correct.

19 Q. Clear and definite descriptions of what the
20 problem was?

21 A. Yes.

22 Q. Clear and definite action plans of how to
23 eliminate the issue?

24 A. Maybe.

25 Q. Clear and targeted goals as to when it was

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1 that the problem would be addressed?

2 A. Maybe.

3 Q. A commitment from management to properly fund
4 what needed to be done?

5 A. If approved.

6 Q. Those were the things you were looking for in
7 terms of concrete descriptions of the issue and how
8 it would be managed, is that true?

9 A. Among other things.

10 Q. What else?

11 A. I would want to validate the legitimacy of
12 what was being asserted here.

13 Q. Okay.

14 So you were looking for a process of
15 validation as well?

16 A. I want to understand that what I'm reading was
17 valid.

18 Q. Okay, got it.

19 Now, if we could go through some of this,
20 under enterprise problem, by enterprise we're
21 referring to PG&E both on its electric and gas
22 distribution side, correct?

23 A. Correct. I think it also more broadly refers
24 to PG&E utility and corporation.

25 Q. Exactly.

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1 The entire company?

2 A. Correct.

3 Q. And it says: "The first problem" -- looking
4 under enterprise problem, "the first problem is that
5 PG&E lacks a well-defined documented risk
6 policy/standard at the enterprise level. That, one,
7 explains PG&E's overall risk assessment methodology;
8 two, defines the lines of business roles and
9 responsibility; three, specifies the requirements for
10 performing and documenting risks; four, links risk
11 assessments to controls, self-assessment, reviews,
12 and audits; and five, specifies the requirements for
13 metrics to track -- to track the risks."

14 Did I read that accurately?

15 A. Yes.

16 Q. And is that what you were referring to when
17 you were saying, seems inactionable or unactionable?

18 A. No. I would have been referring to the entire
19 document.

20 Q. Okay.

21 So that plus everything else that's in there,
22 correct?

23 A. Right.

24 Q. All right.

25 What did you do after you received this from

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1 2007 to 2009 to help implement some of the criticisms
2 that were contained here and -- and devise a solution
3 in the four years you were there?

4 A. I worked with the corporate risk staff to help
5 to better clarify the program, have it be more
6 oper- -- what I would call operational in nature and
7 less abstract or theoretical.

8 Q. Okay.

9 A. I established responsibility on my staff for
10 helping to administer the various risks that I was
11 responsible for. And attempted to influence their
12 focus with regard to what it was we were going to
13 address.

14 Q. Okay.

15 Did you feel that in the four years you were
16 there, that PG&E was able to solve the five items
17 that were listed there on the enterprise problem?

18 A. I think it was a work in progress, I think
19 things were better, but certainly not where we needed
20 to end up.

21 Q. On a scale of zero to hundred percent, how
22 much do you think PG&E was able to accomplish in the
23 four years you were there?

24 MR. LYONS: Objection, vague.

25 THE WITNESS: I can't assign a number, and I

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1 would say given the San Bruno tragedy, I'd -- I'd
2 have to relook the entire -- the entire program, in
3 light of that event.

4 BY MR. PITRE:

5 Q. It was a failure, wasn't it?

6 A. Absolutely.

7 Q. So if we go down below, impact of problem on
8 ED and E&O.

9 Do you see that section, please?

10 A. Yes.

11 Q. It says: "The risk assessment methodologies
12 for determining what work is funded is not linked and
13 is different than the risk assessment methodology
14 used by ED and E&O to determine high risk work
15 processes."

16 Did I read that correctly?

17 A. Yes, you did.

18 Q. What did you understand that to mean when you
19 read it?

20 A. That there were two different funding or work
21 processes, one was the more, what I would say,
22 abstract, high level enterprise risk management
23 program, which dealt with risks that could be
24 debilitating to the enterprise, the other was more
25 the everyday management of risk in ED and E&O, as it